

*The Evolving Roles of “Core Interests” and “Mutual Interests” in U.S.-China Relations*

Testimony before the U.S.-China Economic & Security Review Commission

Hearing on “China’s Narratives Regarding National Security Policy”

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Mr. Chairman and Members of the U.S.-China Economic & Security Review Commission, thank you for inviting me to testify at this hearing. My remarks today do not reflect the views of the United States Institute of Peace (USIP), which does not advocate specific policy positions but rather my own thoughts on the U.S.-China relationship.

I would like to highlight the following three points with respect to the title of today’s hearing, “China’s Narratives Regarding National Security Policy”:

- 1) China’s narratives regarding its national security are infused with references to its “core interests,” which differ greatly from the U.S. formulation of “mutual interests.” Examining China’s adherence to “core interests” and the United States’ adherence to “mutual interests” in the bilateral relationship provides an effective means to better understand how the two countries will view and handle future tensions.
- 2) Understanding who controls the definition of “core interests” in China will help us assess the direction of bilateral relations. Following Secretary Clinton’s speech in Hanoi at the ASEAN Regional Forum in July 2010, the PLA asserted that the South China Sea also constituted a Chinese “core interest.” After some debate in Beijing, Chinese leaders toned down this claim and are now seeking to reemphasize the centrality of the “peaceful development” thesis.
- 3) North Korea has become the dominant third party security issue in U.S.-China relations. A close examination of U.S. and Chinese policies reveals how a shared denuclearization goal is pursued in diametrically opposite ways with serious implications for stability in the Northeast Asian region. Recent North Korean provocations against South Korea also highlight how this third party issue is becoming more complex. The PLA Navy’s strong reactions to the U.S.-ROK naval exercises following the sinking of the South Korean warship Cheonan by North Korea revealed how the occurrence of unintended consequences in Northeast Asia is further complicating the situation.

My comments today are based on key findings from U.S.-China Track 1.5 activities that USIP has been convening since 2008. These Track 1.5 activities include facilitating dialogues, conducting research meetings, and commissioning special reports.

In the course of running USIP-facilitated dialogues and research meetings on specific security, economic, and political issues affecting bilateral relations, we have closely observed the way in which the Chinese side frames their comments through the lens of “core interests” and the U.S. side frames theirs through the lens of “mutual interests.” Understanding the nuances of each lens helps to explain some of the motivations for and limitations of key Chinese and U.S. policy statements and actions.

### **1) The Chinese Lens of “Core Interests” and the U.S. Lens of “Mutual Interests”**

In a forthcoming USIP commissioned report, one of our Chinese participants notes that China emphasizes its core interests – which encompasses bolstering domestic stability and preserving territorial integrity – in relation to the United States for a number of reasons:

First, Beijing believed that some of Washington’s actions, such as arms sales to Taiwan and involvement in Tibetan and Xinjiang issues, challenged and even damaged China’s core interests from time to time. Therefore, it is important for China to use every opportunity to remind the United States of China’s sensitivity to these issues. Second, in terms of power balance, China is in a relatively weaker position vis-à-vis the United States, and while there are many interests that China wants to promote in its relations with the United States, the most important thing is to prevent its core interests from being undermined, otherwise its diplomacy towards the United States would be regarded by both the Chinese elites and public as a failure. Third, China’s emphasis on its core interests also reflects its growing confidence in interactions with the United States. As China’s material strength grows and its international influence expands, Beijing has come to possess more resources to deal with Washington; therefore, Washington has to be more cautious in handling China’s core interests.<sup>1</sup>

The Chinese author goes on to point out that should China and the United States fail to respect each other’s legitimate core interests, this would foster mistrust and make cooperation less likely. Recognition of core interests is seen as an important step towards building a cooperative relationship.

If the U.S. side sees China as a little over confident, arrogant, or aggressive, another Chinese participant noted that the PRC side sees the United States as less able to handle complex issues ranging from revitalizing its economy to dealing with growing foreign

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<sup>1</sup> Wu Xinbo, “China and the United States: Core Interests, Common Interests, and Partnership,” forthcoming USIP Special Report.

policy challenges such as stabilization and reconstruction efforts in Afghanistan, and countering nuclear proliferation in Iran and North Korea.

In terms of the U.S. lens of “mutual interests,” one of our U.S. participants argues in another forthcoming USIP report that:

It is often said that despite our real differences and mutual suspicions, the United States and China have many more points of common interest than they do points of conflict. I wholeheartedly agree with this proposition. Nothing builds bilateral trust and cooperation better than the two nations working together on common problems, as we did a few years ago in the Six-Party Talks process and as we have more recently by contributing naval assets to battle pirates off the coast of Africa. It is very important not just for global security but also for healthy long-term bilateral relations for there to be increased coordination on North Korean and Iranian nuclear issues.<sup>2</sup>

The joint statement issued following President Hu Jintao’s January 2011 state visit tried to deemphasize “core interests” and focus more on the concept of partnership on “mutual interests.” While there is no direct reference to “core interests” in the text of the 2011 joint statement, the fact that the two Presidents “further reaffirmed their commitment to the November 2009 U.S.-China joint statement”<sup>3</sup> essentially preserves the continuity of the Chinese focus on “core interests,” which is laid out in this earlier joint statement.

An important part of the 2011 joint statement is the commitment expressed by both countries “to work together to build a cooperative partnership based on mutual respect and mutual benefit in order to promote the common interests of both countries and to address the 21<sup>st</sup> century’s opportunities and challenges.”<sup>4</sup>

With the Chinese leadership’s current concerns about social instability spreading from the Middle East and the Arab world to China, we have been seeing the Chinese turn inward and focus on its “core interests.” We’ll be watching closely to see how durable this recent statement on continuing to work “toward a partnership that advances common interests, addresses shared concerns, and highlights international responsibilities”<sup>5</sup> is in light of diverging priorities in the near-term.

## **2) Who Controls the Definition of “Core Interests” in China?**

China’s policy-making process remains opaque, but last summer’s incidents related to the South China Sea provide valuable insights. Although China’s claims to the South China

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<sup>2</sup> Thomas Christensen, “The Need to Pursue Mutual Interests in U.S.-PRC Relations,” forthcoming USIP Special Report.

<sup>3</sup> U.S.-China Joint Statement, The White House, Office of the Press Secretary, January 19, 2011.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

Sea go as far back as the 1930s, the PLA's declaration in late July 2010 that these waters now constituted a Chinese "core interest" represented an alarming expansion of the definition of "core interests."<sup>6</sup> Traditionally, they denoted Taiwan, Tibet and Xinjiang. When this new pronouncement occurred, questions arose regarding who controlled the definition of "core interests" in China. Was this expansion in definition reflective of a broad consensus among different groups or was it a proactive stance adopted by the PLA, which was indicative of a larger role that it was playing in the policy-making process in China?

This is a key question that we are closely watching in our Track 1.5 activities with U.S. and Chinese participants. In the aftermath of this incident in July, the PLA backed up its pronouncement by conducted larger naval exercises that focused on the South China Sea. Strong policy statements by serving senior PLA officers drew more attention to what appeared to be the military's increasing voice and actions in China's foreign and security affairs. Sensing that this was eroding the central message of Beijing's peaceful development and sparking a strong reaction among its neighbors and the United States, the Chinese leadership embarked on a remarkable public diplomacy campaign. In December 2010, state councilor Dai Bingguo expounded on China's benign intentions and goals in an article titled "Stick to the Path of Peaceful Development."<sup>7</sup> With over 60 references to "peace" and an explicit assurance that "China has no culture or tradition of seeking expansion or hegemony" and that "benevolence and harmony are at the heart of our political and cultural tradition, which values harmony, good-neighborliness and friendship with all" throughout its thousands of years of history, Dai's article appeared to be conspicuously overcompensating for the events and statements of a summer that seemed to confirm many countries' suspicions about the nature of China's rise.

The language of Dai's article infused Beijing's preparations for President Hu Jintao's state visit to the United States in January 2011. Key passages were echoed in the lead up to and during the visit. The core message was that the Party stood resolutely at the helm of China and that "China stands firmly for peace, development and cooperation, pursues the independent foreign policy of peace, sticks to the path of peaceful development and the win-win strategy of opening up..."<sup>8</sup>

Larger questions still linger over the extent of the PLA's role in China's policy-making process after a turbulent summer in 2010.

### **3) North Korea: An Opportunity to Assess U.S.-China Cooperation**

While North Korea does not constitute a Chinese "core interest," it represents a key case of what the United States views to be a "mutual interest." Given the proliferation dangers

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<sup>6</sup> John Pomfret, "China Claims 'Indisputable Sovereignty Over South China Sea,'" *The Washington Post*, July 31, 2010.

<sup>7</sup> Dai Bingguo, "Stick to the Path of Peaceful Development," *Beijing Review*, December 24, 2010.

<sup>8</sup> *Ibid.*

posed by North Korea's nuclear weapons development activities, we observed how U.S. participants early on in our Track 1.5 dialogues emphasized to their Chinese counterparts how this common challenge can be more effectively addressed if viewed as a mutual interest. North Korea's recent revelation of its uranium enrichment facility and alarming provocations against South Korea have reconfirmed its position as the dominant third party security issue in the evolving U.S.-China relationship.

Examining how each country frames and deals with North Korea-related issues has provided insights into major differences in the manner in which Beijing and Washington are pursuing the common goal of a peacefully denuclearized North Korea. China's approach is predicated on flexibility and enticing North Korea to continue down the path of implementing the Six-Party Talks' September 2005 Joint Statement. For the United States, the DPRK long-range missile test in April 2009 and the 2<sup>nd</sup> DPRK nuclear test in May 2009 have led to a continuing U.S. resistance to giving into what is perceived to be brinkmanship ploys. While the United States also calls on North Korea to return to implementing the September 2005 Joint Statement, it will not offer incentives. Rather it is currently applying sanctions measures that are intended to shape the environment and influence North Korea's decision to return to the negotiating table. As the deadlock in the Six-Party Talks persists, commercial ties between China and North Korea continue to grow under the heading of economic development, an important exempted activity under UN Security Council Resolution 1874's sanctions.

After setting low expectations, both the United States and China declared President Hu's state visit a success. That glow is receding now by a row over how to handle North Korea's uranium program. The United States, in close coordination with South Korea and Japan, seeks to have this matter addressed at the UN Security Council. China has blocked this effort stating that it believes the Six-Party Talks is the proper venue. Such Chinese behavior raises concern that Beijing is coddling and protecting North Korea, even in the face of stark provocations and clear violations of signed agreements. China's image as a proactive player seeking to multilaterally resolve the North Korean nuclear issue is competing with a growing image that depicts China as a part of the problem.

## **A Way Forward?**

In describing the future of warfare, Secretary Gates stated in a recent speech at West Point that "it will be exceedingly complex, unpredictable, and... 'unstructured'."<sup>9</sup> That description is equally apt for the future of U.S.-China relations as it continues to evolve against the background of a rapidly changing international order. While conflict is not inevitable, as some would posit, the challenge will be managing the multitude of complex tensions and frictions in an "unstructured" environment. This places a premium on problem-solving partnerships more than ever. If we are to make substantive, effective progress in dealing with increasingly complex issues ranging from nuclear proliferation to

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<sup>9</sup> United States Military Academy at West Point Speech, As Delivered by Secretary of Defense Robert M. Gates, West Point, NY, February 25, 2011.

climate change to economic revival the United States and China need to develop cooperative problem-solving capabilities. What we have noted in our Track 1.5 dialogues is that aside from cooperation on multilateral counter-piracy operations in the Gulf of Aden, the ledger of instances of substantive U.S.-China cooperation with tangible results is essentially bare. While there have been many bilateral initiatives and joint statements, the ongoing framing of issues as either “core interests” or “mutual interests” reveals the formidable initial hurdles that are currently built into the bilateral relationship.

Through our Track 1.5 activities, we continue to closely engage U.S. and Chinese participants to facilitate improved mutual understanding of very different interpretations of recent events in the security, economic, and political realms. Examining the manner in which key narratives arise and are applied will inform our efforts to foster the development of specific problem-solving capabilities in the evolving U.S.-China relationship.

Thank you.

### **About the United States Institute of Peace**

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